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Before I launch into another one of my "brief" updates, I want to share something good that can help everyone. While there has been major hoarding of paper towels, toilet paper and sanitizing products at the stores, I understand that supply chains are stocked and will continue to deliver to stores. Once people have their fill of toilet paper, it's unlikely they will need more anytime soon. I just don't get this. Why toilet paper? Why bottled water when the taps work fine, even though you may not like the taste? I totally understand the sanitizing demand, but even then, we know that soap and water works better.

Anyway, our family is a big Target user, both online and in person. If you are looking for specific products, go to Target.com and type your zip code in. A certain store will be your default. Find your product which is probably out of stock at your store. However, there is a great feature to search nearby stores and I am finding Purell, Clorox products, paper towels and even toilet paper all within 20 miles of me. I expect most of the in demand products to be in better and better supply as the weeks go on.

On Sunday afternoon, I published [The Tiniest of Green Shoots - Monday Not Looking Pretty](#) where I offered that stocks should see one more selling wave on Monday before finding a low of some sort. So far, so good as Tuesday is looking very strong to begin the day. Those little green shoots I wrote should only increase going forward, but we still really need to see back to back days of gains for stocks. That hasn't been witnessed since mid-February. I will have many more market comments tomorrow or Thursday.

Congress is on the verge of passing what they deem to be a massive stimulus. Frankly, it's not enough. More on that later. The markets will not see their final bottom on any passage of legislation. That's a canard. Markets don't bottom on good news. They usually find a low on bad news when sellers are exhausted, not when buyers suddenly rush in.

Think about it. Just this young century, we experienced 9-11, the financial crisis and now this, the Corona Crash or whatever it will end up being called. Each of these three historic events were labeled "generational" or once in a lifetime. My math friends tell me these are 5 or 6 sigma events. Better put, they should only happen every hundred or thousand years. I don't know about you, but three Black Swans (incredibly rare event with unusually severe consequences) in 20 years is unfathomable. The Chinese say, "may you live in interesting times". Well friends, I don't know about you but I have had enough "interesting times" this century to last me a lifetime! Lets' bring back some good ole boredom!

Lots of Opportunities to Share My Opinion in the Media

Over the past week, I have done a number of media segments with local Fox, Yahoo and Fox Business. Here are a few where they have created links. I promise you that if nothing else, they are entertaining.

[Fox Business](#)

[Yahoo#1](#)

[Yahoo#2](#)

[Yahoo#3](#)

Interestingly, they were much less focused on short-term market behavior than more big picture stuff. I don't want to say that I was angry because that's not true and not really my personality. I wanted to impress upon the need for a sense of urgency. Although I am usually hypercritical of the Fed, I do believe Chairman Jay Powell had his "AH HA" moment almost two weeks ago and the Fed has completely and utterly opened up every spigot they have to help combat the illiquidity and massive dislocations in the markets. They pretty much guaranteed unlimited liquidity.

Mnuchin Gets It But It's Not Enough

Treasury Secretary Steve Mnuchin wasn't far behind. He gets it. First, there was the \$8 billion immediate bill. That was followed up by the \$100 billion Family First Corona Response Act, signed into law last week. Both had wide bipartisan support. Next up is a bill to help average Americans. Whatever number is being bandied about, \$1.3 trillion, \$1.5 trillion, even \$2 trillion, it's simply not enough. Our economy is 70%+ consumer driven. We have 35 million small businesses.

The economy has literally fallen off the cliff. In 2008 many people were to blame for their behavior as they took on way too much debt and did worse. Today, it's hard to blame anyone for a pandemic. Through no fault of their own, the average working American and small businessperson will be severely impacted. No one should have to worry about feeding their family or keeping a roof over their head. Action needs to be taken for the next 4-6 months, not sending a one-time check to people. Small businesses need loan guarantees and debt forbearance to get back on their feet at a minimum.

If everyone is really talking about shock and awe, let's deliver true shock and awe and stop the piecemeal nonsense. The unthinkable, the unimaginable, the unfathomable has happened. There needs to be an equal response from government.

Our behavior today was deemed extreme, unnecessary and almost laughable just 14 days ago. If we had taken extreme measures early enough, we would be in a better place today, like South Korea and not Italy. Reopening the the country for business is lunacy, in my opinion when New York City is close to capacity for hospitals. People need to have a little more patience so everyone can get through this sooner than later. Sending healthy people back to work is penny wise and pound foolish.

If Congress wants to leapfrog in front of the problem right now, they should be considering a multi-pronged stimulus in the many trillions. TRILLIONS. Not one. Not two. A program for small businesses. Short-term forbearance for mortgages and student loans. Direct cash in consumers pockets and not just a one and done. People are going to need cash for at least the next 3-6 months.

No Handout for Corporate America

Rescuing corporate America is a different story. While the airlines, hotels, cruise lines, casinos and retailers all operated legally and probably in the best interest of shareholders, only the airlines are systemically important to the economy. I am absolutely not in favor of bailouts and handouts. However, just like the government did with AIG, Fannie Mae, Freddie Mac and the money center banks, I am all for having Uncle Sam invest in and recapitalize many of these entities in exchange for non-voting stock and warrants that can be sold in the public markets if and when things recover.

I also believe that if a company accepts the government's terms, executive stock options should be wiped out along with stock buybacks for as long as the government remains a shareholder. At the same time, executive compensation should be limited. It's foolish to ask companies for a moratorium on layoffs.

Let's remember that the government made more than \$100 billion from its financial firm investments in 2008. They didn't hand out charity, but they did allow corporate elite to grow richer at the expense of everyone else.

As always, please don't hesitate to call, email or Skype with any questions, comments or concerns.

If you are looking to schedule a call, here is the link to my calendar. <https://schedulewithpaul.as.me/>

Early mornings, evenings and weekends should be scheduled directly with me.

Thanks

To Your Financial Success,



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